

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

DEPARTMENT OF TREASURY

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DATE: January 21, 1985

TO: Assessing Officers

FROM: State Tax Commission

RE: Public Acts, Property Taxes

Attached is a brief summary of the 1984 Public Acts relating to property taxes passed and signed by the Governor.

For a more complete understanding of the changes or additions or deletions made in each Act, the Act should be read in its entirety.

1984 PUBLIC ACTS

The following Public Acts which relate to property taxes were passed during the 1984 legislative session.

<u>Act No.</u>	<u>Effective Date</u>	<u>Brief Explanation</u>
19	March 29, 1985	General Property Tax Act. Director of a county tax or equalization department to be certified at the level determined to be necessary by the State Assessor's Board before being appointed by the county board of commissioners or before performing, or after the effective date of amendment, continuing to perform, the functions of the director of a county tax or equalization department. The state board of assessors may grant a conditional extension of 12 months to a person who is serving as the director of a county tax or equalization department on the effective date of this new subsection if all of several conditions are met including a request by the county board of commissioners that an extension be granted. An additional 6 month extension, in addition to the 12 month extension, may also be granted by the State Assessors Board at the request of a county board of commissioners provided that the applicant demonstrates progress in the required course of study. In filling a vacancy a county board of commissioners may appoint a director having a certification 1 level below the required level for a period not to exceed 12 months provided that the person previously holding the position was certified at the required level. (Amends Sec. 211.10d, M.C.L.)
31	March 12, 1984	General Property Tax Act. Changed to allow summer property tax deferral for property used as agricultural real property as well as property classified as agricultural property. Gross income vs household income tests remain the same as in previous version of statute. (Amends Sec. 211.51 M.C.L.)
48	April 6, 1984	General Property Tax Act. Amends Sec. 211.87b, 211.98b, 211.31, and 211.131a, M.C.L. Amendment to Section 87b applicable to only Wayne County and requires interest be paid on delayed payments from Delinquent Tax Revolving Fund to School Districts resulting from failure of a township or city to deliver delinquent rolls to the county treasurer prior to June 1, 1984 and May 1, 1985. Interest paid to be charged to the

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48 con't.	April 6, 1984	city or township failing to make timely delivery of the delinquent roll. Amendments to Sec. 131 and 131a eliminate obsolete references to the Department of Conservation and replaced with references to the Department of Natural Resources. Amendment to Section 98b changed a reference to Auditor General to Department of Treasury. (Amends Sections 211.87b, 211.98b, 211.131 and 211.131a, M.C.L.)
63	April 12, 1984	Lessees or Users of Tax Exempt property: Extends sunset provision to include tax day, December 31, 1984 (1985 tax levies), as final date for exemption of property which is used by the lessee or user in such a manner that the township or city in which the property is located receives revenue pursuant to section 13(2) of Act 327 of the P.A. of 1980, Sec. 431.73, M.C.L. Section 431.73 of Act 327 of 1980 requires that a portion of horse racing revenue received by the state be paid by the state to the city or township in which the racetrack is located. Affects racecourse property owned by a municipality or an agricultural society and leased to private organization. (Amends Sec. 211.181, M.C.L.)
103	May 8, 1984	General Property Tax Act. New subsection (3) added to Section 67a provides that special assessments which have been or are authorized to be levied upon property which reverts to the state for unpaid taxes shall not be cancelled but rather shall be deferred and shall be added to the selling price when sold by the Department of Natural Resources. Upon collection through sale the special assessments will be paid to the unit levying the special assessment. The special assessments deferred will include penalties and interest. The county treasurer will notify the Department of Natural Resources of each parcel of land within the county which has special assessments deferred pursuant to this section. Properties subject to deferred special assessments will be entered in the assessment rolls, tax rolls and delinquent rolls with the special assessment amount deferred. Special assessments to be deferred pursuant to this section only those levied against property and which are pledged for the repayment of bonds or notes issued by a local unit to finance public improvements for which the special assessments are authorized. Apparently

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103 con't	May 8, 1984	the deferrals will be made for all such special assessments due at the time the title to the property becomes absolute in the state and special assessments due and payable which apparently will include the annual installments of special assessments for which the master roll was confirmed prior to the state receiving title. Some legal clarification may be required. (Amends Section 211.67a, M.C.L.)
122 and 135	June 1, 1984 June 1, 1984	Industrial Facilities and Commercial Facilities Tax. If the school taxes remitted to the state for an in-formula school district pursuant to Act 198, P.A. of 1974 and Act 255, P.A. of 1978, exceeds the amount of school aid paid to that district pursuant to Sections 21(1), 56, 62 or 81 of the State School Aid Act the State Treasury shall allocate to the affected school district or intermediate school district the difference between the total amount of commercial and industrial facilities tax received by the state and the amount of state aid paid to that district (Act 122 Amends Sec. 207.561, M.C.L. and Act 135 Amends Sec. 207.662, M.C.L. Acts 198, P.A. 1974 and Act 135 Amends Sec. 207.662 M.C.L. - Act 255, P.A. of 1978)
146	June 2, 1984	General Property Tax Act. Amendments to Section 43 provides that the local treasurers shall make distributions of community college and intermediate school district taxes directly to the units rather than distributing the collections to the county treasurer for subsequent distribution to the intermediate school district and/or community college. The direct distribution will not be made unless the Intermediate School District Board or the Board of Trustees of a Community College requests by resolution that such direct distribution be made. The resolution must be adopted at least 60 days before the taxes to be collected become a lien and the resolution must specify the period of time for which the resolution shall be effective. Copies of the resolution shall be furnished to the county treasurer and to the local treasurers affected. Changes were also made by Act 78 and 79 to the school code and community college acts to bring the sections of those acts relating to tax collection distributions into conformance with this amended section 43. The amendment also requires

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146 con't.	June 2, 1984	that taxes levied by a public transportation authority be distributed directly to that authority by the local treasurer within the same time frames that other collections are distributed. (Amends Sec. 211.43, M.C.L.)
149	June 21, 1984	General Property Tax Act. Boards of Review. A township board may appoint 3, 6 or 9 electors of the township who shall constitute a board of review for the township. 2/3 of the members shall be property taxpayers of the township. At least 2 members of a 3 member board of review shall be present to conduct any business or hearings of the board of review. If 6 or 9 members are appointed the membership of the board of review shall be divided into board of review committees consisting of 3 members each for the purpose of hearing and deciding issues. Two of the three members of a board of review committee shall constitute a quorum for the transaction of the business of the committee. A city is given the option of organizing a board of review as provided in its charter or may establish a board of review pursuant to this section. Members appointed to a board of review shall serve for a two year period beginning at noon on January 1 of each odd numbered year. Each member shall qualify by taking the constitutional oath of office within 10 days after appointment. A township board member shall not be eligible to serve on the board of review or to fill a vacancy on the board. (Amends Sec. 211.28, M.C.L.)
158	December 21, 1984	General Property Tax Act. Amends Section 7w of Act 206, P.A. of 1893. Section as amended reads in its entirety as follows: "Sec. 7w. (1) Property owned exclusively by the state agricultural society or a county or district agricultural society and used by the society primarily for fair purposes is exempt from taxation under this act. (2) Property shall be considered used by a society primarily for fair purposes if the society leases the property to others for purposes which do not interfere with fair purposes and if the income received by the society under the lease is used entirely to defray the costs and expenses of conducting the fair and maintaining the buildings and grounds of the society."
179	March 29, 1985	General Law Villages; Village Taxes. Village taxes shall become a lien on July 1. Taxes collected on or before September 14 shall be without interest. Taxes paid after September 14 shall have interest added at the rate of 1% per month or fraction of a month. Village taxes may also be subject to a property tax administration fee of up to 1% if imposed by resolution of the village council. The Village Council may also impose a 3% penalty for

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179 con't.	March 29, 1985	collections made on February 15 and through the month of February. Village taxes are to be returned delinquent (unpaid) to the county treasurer as of September 15 unless the village council by resolution adopted on or before June 1 determines that village taxes are to be returned to the county treasurer on the same date (as of March 1 following the year of the levy) as county taxes are returned. If the taxes are returned unpaid to the county treasurer as of September 15 the county treasurer shall add the same fees and interest to the village taxes as would have been added had the taxes been collected by the village treasurer. As of the last day of February the county treasurer shall add the accumulated interest to such taxes and taxes collected after March 1 by the county treasurer shall include the tax and the accumulated interest. If imposed the 1% property tax administration fee will also be included in the delinquent roll and collected by the county treasurer and paid over to the village. The 4% county property tax administration fee and delinquent tax interest will be computed on the village tax plus the accumulated village tax interest (6 months at 1% per month unless taxes subject to summer deferment) and the 1% property tax administration fee if imposed by the village. If the village collects its own taxes through the month of February return of village taxes shall include as part of the tax the accumulated interest at 1% per month or fraction of month from September 15 through the last day of February or 6%. Taxes approved for summer deferment will have 1% interest for the fraction of the month of February that such taxes remained unpaid. The unpaid 1% property tax administration fee, if imposed will also be returned delinquent. The delinquent taxes will then, of course, be collected by the county treasurer with the addition of the statutory fees and interest. (Amends Sec. 69.15 and 69.18 M.C.L., General Village Law.)
205	March 29, 1985	General Property Tax Act. Increases from \$10,000 to \$20,000 the income limitation to determine eligibility of senior citizens, paraplegics, quadriplegics, eligible veterans, and eligible widows for deferment of summer taxes. Will be effective for 1985 summer tax levies. (Amends Sec. 211.51, M.C.L.)
206	July 9, 1984	General Property Tax Act. Amends personal property exemption section 9 by adding subsequent q. All equipment used exclusively in wood harvesting, but not including portable or stationary sawmills, or other equipment used in secondary processing operations. "Wood harvesting" means the clearing of the land for forest management purposes, the planting of trees, and all forms of cutting or chipping of trees and the loading of them on trucks for removal from the harvest area. Subsection (j) of Section 9 also changed to include property used in "raising and harvesting of fish." Prior to change subsection

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206 con't.	July 9, 1984	read "raising of livestock, bees, fur bearing animals, poultry or fish . . ." (Amends Section 211.9, M.C.L.)
222	October 1, 1984	<p>Tax Tribunal Fees: Appropriations Act 1984-1985 fiscal year.</p> <p>Sec. 44. (1) Payments to the Michigan tax tribunal for fees or charges of the tribunal shall be made either in cash or in checks, money orders, or other drafts made payable to the order of "State of Michigan" and shall be mailed or delivered to the clerk of the tribunal at Lansing.</p> <p>(2) The following fees shall be paid to the clerk in all entire tribunal proceedings:</p> <p>(a) Upon filing of a property tax appeal petition:</p> <p>(i) Allocation, apportionment, and equalization . . . \$500.00.</p> <p>(ii) Upon filing of a property tax appeal petition, the filing fee shall be .12% (.0012) of the total state equalized value in contention but in no case less than \$60.00 nor more than \$25,000.00. Total state equalized value in contention means the difference between the state equalized value as determined from the assessment and the state equalized value contended by the petitioner.</p> <p>(b) Upon filing of a nonproperty tax appeal or a special assessment petition, the filing fee shall be 2% of the difference between the amount of tax as determined in the assessment notice and the amount of tax as contended by the petitioner, but not less than \$60.00 nor more than \$25,000.00.</p> <p>(3) Fees shall be paid to the clerk as follows:</p> <p>(a) Upon transfer of a proceeding from the small claims division to the entire tribunal on a party's or intervenor's motion . . . \$35.00.</p> <p>(b) Upon transfer of a cause to the tribunal from any forum . . . \$35.00.</p> <p>(c) Upon filing of a motion . . . \$35.00.</p> <p>(d) Upon certification of the record on appeal to the court of appeals plus the cost of the transcript . . . \$35.00.</p> <p>(e) For copies of documents on file with the tribunal . . . \$.50 per page.</p> <p>Sec. 45 (1) A formal transcript shall not be taken for any proceeding commenced and completed in the residential property and small claims division of the tax tribunal.</p> <p>(2) Fees or costs shall not be charged or allowed on appeals of homestead property in the division.</p> <p>(3) Except for homestead property appeals, the following fees shall be paid to the clerk in all residential property and small claims division proceedings:</p> <p>(a) Upon filing of a property tax appeal petition a fee of \$35.00.</p>

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222 con't.	October 1, 1984	<p>(b) Multiple parcels (contiguous) owned by the same person; 1 filing fee plus \$15.00 for each additional assessed parcel.</p> <p>(c) Upon filing of a nonproperty tax appeal or special assessment petition, a fee of \$35.00.</p> <p>(d) Upon filing of a request for a hearing a fee of \$35.00.</p> <p>Sec. 461 The funds collected from parties desiring a transcription of the proceedings of the state tax tribunal and deposited in the revolving fund in accordance with section 45(2) of Act No. 186 of the Public Acts of 1973, being section 205.746 of the Michigan Compiled Laws, shall be appropriated for salaries and wages, fees, supplies, and equipment necessary to provide the service. Funds are allotted for expenditure when they are received by the department of treasury.</p>
251	November 14, 1984	<p>General Property Tax Act: Allows millages voted by the electorate between September 15 and December 14, 1984 to be levied in 1984 provided that ballot proposal does not provide for levy starting in later years. Units which may levy in 1984 and final date of election is as follows.</p> <p>School Districts, Intermediate School Districts, Junior and Community Colleges--December 14, 1984.</p> <p>Counties - levy for any purpose--November 8, 1984.</p> <p>County Libraries--November 8, 1984.</p> <p>Townships--November 8, 1984.</p>
264	December 17, 1984	<p>General Property Tax Act. Provides that county treasurer shall make payments to local units within 20 days after sufficient funds are deposited in the delinquent tax revolving fund. Provides for payment of interest at 12% per annum from date of settlement to date of payment from Delinquent Tax Revolving Fund if county does not make payments to local units within 10 days after settlement and county uses its own funds, not borrowed money, to finance delinquent tax revolving fund. In a county with a population of 1,500,000 or more if delinquent tax rolls are not delivered to the county by May 1, 1985 and the county is unable to complete its borrowing for the delinquent tax revolving fund and make subsequent distribution of delinquent tax revolving funds to the school districts and intermediate school districts by August 1 the distribution to schools shall include 9% interest from June 1 to the date of payment and the interest will be charged to the cities and townships that failed to submit the delinquent rolls timely.</p>

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264 con't.	December 17, 1984	<p>Also provides that if a local taxing unit has borrowed money in anticipation of collecting taxes for any school district or other municipality that the county treasurer shall pay the school or other municipality's delinquent tax revolving fund distribution to the borrowing municipality. Act 157, P.A. of 1984 allows a city with a population of 150,000 to make such borrowings. Act 157 amends the Municipal Finance Act. (Act 264 amends Section 87b of the General Property Tax Section 87b of the General Property Tax Act, Section 211.87b, Michigan Compiled Laws.)</p>
305	December 21, 1984	<p>Taxation of otherwise exempt leased real property; Amends Section 211.81 M.C.L., Act 189, P.A. of 1953 to read as follows. The amended Section reads in its entirety as follows:</p> <p>Sec. 1. (1) When any real property which for any reason is exempt from ad valorem property taxation is leased, loaned, or otherwise made available to and used by a private individual, association, or corporation in connection with a business conducted for profit, the lessees or users of this real property shall be subject to taxation in the same amount and to the same extent as though the lessee or user were the owner of this real property.</p> <p>(2) Subsection (1) shall not apply to:</p> <p>(a) Federal property for which payments are made instead of ad valorem property taxes in amounts equivalent to taxes which might otherwise be lawfully assessed or property of any state-supported educational institution, enumerated in section 4 of article 8 of the state constitution of 1963.</p> <p>(b) Property which is used as a concession at a public airport, park, market, or similar property and which is available for use by the general public.</p> <p>(c) Property which is used by the lessee or user only in conjunction with a county fair, community fair, 4-H fair, or state fair of this state, or in conjunction with a special event for which the lessee or user pays a fee to the county fair, community fair, 4-H fair, or state fair. As used in this subdivision, "special event" means an event during which property is occupied by the lessee or user for not more than 14 consecutive days.</p> <p>(d) For tax days before December 31, 1985 property which is used by the lessee or user in such a manner that the city or township in which the property is located receives revenue pursuant to section 13(2) of Act No. 327 of the Public Acts of 1980, being section 431.73 of the Michigan Compiled Laws.</p>

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336	December 26, 1984	General Property Tax Act. A Charter County with a population of 2,000,000 or more may impose by ordinance a different amount for a fee prescribed by Section 142a. This section deals with the 50¢ fee for filing and 50¢ fee for recording the notice served upon owners of property when a tax title buyer perfects a state tax deed. This is a county treasurer fee. (Amends Section 211.142a, M.C.L.)
342	December 27, 1984	Commercial Redevelopment District: Extends Act 255, P.A. of 1978 for 1 year until December 31, 1985. Act 255 provides tax abatements for qualifying commercial properties. Amendment also provides that a municipality that grants an abatement for a period of years less than 12 may review and extend the abatement certificate but not for a total period in excess of the 12 year maximum provided that the review of the certificate for the purpose of determining an extension shall be based on factors, criteria, and objectives that shall be placed in writing, approved at the time the legislative body approves the certificate. A copy of the review factors, criteria and objectives shall be sent to the applicant and to the tax commission. (Amends Section 207.759 and 207.668, M.C.L., these are sections 9 and 18 of Act 255, P.A. of 1978.)
385	December 28, 1984	Technology Park Development Act. A new Act which provides requirements, procedures, etc. Municipalities including city, village or township may grant tax abatement for up to 12 years for enterprises that qualify. Apparently only a few municipalities will qualify because of stringent requirements regarding location, size of parcel and type of activity required and requirements for location near a 4 year public university. Act should be read carefully in its entirety by those affected and interested.
399	December 28, 1984	General Property Tax Act. Change in Section 44. Local tax collecting unit may waive 3% penalty on taxes collected between February 15 and last day of February for qualifying Senior Citizens, paraplegics, quadraplegics, eligible servicemen, eligible widows, totally and permanently disabled and blind persons. If 3% penalty is waived for these eligible persons the 1% interest due for the period from February 15 through the last day of February on deferred summer taxes may also be waived. The waiver of the 1% interest on deferred summer taxes is the change made by this amendment. We also emphasize that the waiver of 3% penalty and 1% interest on deferred summer taxes is not applicable to summer taxes that were deferred for reason that the property was used or classified as agricultural property. (Amends Section 211.44, M.C.L., which is Section 44 of the General Property Tax Act, Act 206, P.A. of 1983.)

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406 con't.	March 29, 1985	state generally in the calendar year prior to the year a 131e redemption is made. The amendments to the Sections do not alter the usual penalties, fees and interest charged. (Act 406, P.A. of 1984 amends Sections 131, 131a, 131c, and 131e of the General Property Tax Act.)